

Subpart 3513—Waiver, Suspension or Reduction of Rental and Minimum Royalties

RENTAL AND ROYALTY REDUCTIONS

§ 3513.11 May BLM relieve me of the lease requirements of rental, minimum royalty, or production royalty while continuing to hold the lease?

Yes. BLM has a process which may allow you temporary relief from these lease requirements.

§ 3513.12 What criteria does BLM consider in approving a waiver, suspension, or reduction in rental or minimum royalty, or a reduction in the royalty rate?

We will consider if approval:

- (a) Is in the interest of conservation;
- (b) Will encourage the greatest ultimate recovery of the resource; and
- (c) Is necessary either to promote development of the mineral resources or because you cannot successfully operate the lease under existing terms.

§ 3513.15 How do I apply for reduction of rental, royalties or minimum production?

You must send us two copies of your application with the following information for all leases involved:

- (a) The serial numbers;
- (b) The name of the record title holder(s);
- (c) The name of the operator and operating rights owners if different from the record title holder(s);
- (d) A description of the lands by legal subdivision;
- (e) A map showing the serial number and location of each mine or excavation and the extent of the mining operations;
- (f) A tabulated statement of the leasable minerals mined for each month covering at least the last twelve months before you filed your application, and the average production mined per day for each month;
- (g) If you are applying for relief from the minimum production requirement, complete information as to why you did not attain the minimum production;
- (h) A detailed statement of expenses and costs of operating the entire lease,

and the income from the sale of any leased products;

(i) All facts showing why you cannot successfully operate the mines under the royalty or rental fixed in the lease and other lease terms;

(j) For reductions in royalty, full information as to whether you pay royalties or payments out of production to anyone other than the United States, the amounts paid and efforts you have made to reduce them;

(k) Documents demonstrating that the total amount of overriding royalties paid for the lease will not exceed one-half the proposed reduced royalties due the United States; and

(l) Any other information BLM needs to determine whether the request satisfies the standards in § 3513.12 of this part.

§ 3513.16 Do I have to pay a fee when I apply for a waiver, suspension, or reduction of rental, minimum royalty, production royalty, or minimum production?

Yes. BLM will charge you a processing fee on a case-by-case basis, as described in § 3000.11 of this chapter.

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SUSPENSION OF OPERATIONS AND PRODUCTION (CONSERVATION CONCERNS)

§ 3513.20 What is a suspension of operations and production (conservation concerns)?

A suspension of operations and production (conservation concerns) is a BLM action where BLM orders or allows you to suspend operations in the interest of conservation of natural resources.

§ 3513.21 What is the effect of a suspension of operations and production (conservation concerns)?

BLM will extend your lease term by any periods of suspension of operations and production (conservation concerns). We will reduce the minimum annual production requirements of your lease proportionately for that time during a lease year in which a suspension of operations and production is effective. You do not have to pay rental and minimum annual production royalties starting with the first day of the next lease month after